

SENATE JOINT RESOLUTION

proposing a constitutional amendment relating to the formation of associations by producers of agricultural products.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1. That Article XVI of the Texas Constitution be amended by adding Section 68 to read as follows:

"Section 68. (a) The legislature may authorize the formation of associations by producers of poultry, livestock, and other raw agricultural or marine commodities for the collection of assessments on their product sales voted by the producers. The assessments may not be considered a tax if provision is made for the full refund of assessments on request of individual producers.

"(b) Chapter 462, Acts of the 60th Legislature, Regular Session, 1967, as amended, is validated. All referenda and proceedings in conformity with that Act carried out prior to November 8, 1977, are validated, except that no person may be required to pay assessments levied under that Act prior to November 8, 1977."

Sec. 2. The foregoing constitutional amendment shall be submitted to a vote of the qualified electors of this state at an election to be held on the Tuesday after the first Monday in November, 1977, at which election the ballots shall be printed to provide for voting for or against the proposition: "The constitutional amendment authorizing the formation of agricultural or marine associations which may mandate the collection of

S.J.R. No. 19

1 refundable assessments for improvement of production, marketing, or
2 use of their products."

S.J.R. No. 19

President of the Senate

Speaker of the House

I hereby certify that S.J.R. No. 19 was adopted by the senate on January 31, 1977, by the following vote: Yeas 28, Nays 2; May 26, 1977, senate concurred in house amendments by the following vote: Yeas 26, Nays 1.

Secretary of the Senate

I hereby certify that S.J.R. No. 19 was adopted by the house, with amendments, on May 24, 1977, by the following vote: Yeas 109, Nays 27, two present not voting.

Chief Clerk of the House

Approved:

Date

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
.....10:20 A.M.....O'CLOCK

Governor

MAY 30 1977

Mark White
.....
Secretary of State

Filed without signature
Effective: 11-8-77 (To be voted on)
3

1 By: Patman, Hance

S.J.R. No. 19

2 (In the Senate - Filed January 17, 1977; January 17, 1977,
3 read first time and referred to Committee on Natural Resources;
4 January 27, 1977, reported favorably; January 27, 1977, sent to
5 printer.)

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29 constitutional amendment authorizing the formation of agricultural
30 associations for improvement of production, marketing, or use of
31 their products."

32 * * * * *

33 Austin, Texas
34 January 27, 1977

35 Hon. William P. Hobby
36 President of the Senate

37 Sir:

38 We, your Committee on Natural Resources, to which was referred
39 S.J.R. No. 19, have had the same under consideration, and I am
40 instructed to report it back to the Senate with the recommendation
41 that it do pass and be printed.

Sherman, Chairman

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

January 24, 1977

JAN 25 1977


Honorable Max Sherman, Chairman
Committee on Natural Resources
Senate Chamber
Austin, Texas

In Re: Senate Joint Resolution No. 19
By: Patman

Sir:

In response to your request pursuant to Senate Rule 94, Subsection (g), this office finds the fiscal implications of Senate Joint Resolution No. 19 (proposing a constitutional amendment relating to the formation of associations by producers of agricultural products) to be as follows:

No fiscal implications or additional cost to the State or to statewide units of local government attributable to this Senate Joint Resolution, should it be adopted by the electorate, is anticipated except for the cost of publication estimated to be \$27,500 for fiscal year 1979.


Thomas M. Keel
Director

Source: LBB Staff; Secretary of State.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

January 24, 1977

JAN 25 1977

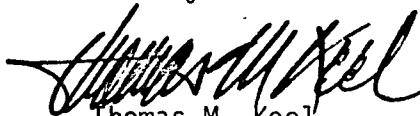
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Thomas M. Keel
Director

Source: LBB Staff; Secretary of State.

Jan. 31 1977 Engrossed
Tatay
Engrossing Clerk

By: Patman, Hance
Farabee, Creighton

S.J.R. No. 19

SENATE JOINT RESOLUTION

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"(b) Chapter 462, Acts of the 60th Legislature, Regular Session, 1967, as amended, is validated. All referenda and proceedings in conformity with that Act carried out prior to November 8, 1978, are validated, except that no person may be required to pay assessments levied under that Act prior to November 8, 1978."

Sec. 2. The foregoing constitutional amendment shall be submitted to a vote of the qualified electors of this state at an election to be held on the Tuesday after the first Monday in November, 1978, at which election the ballots shall be printed to provide for voting for or against the proposition: "The constitutional amendment authorizing the formation of agricultural associations for improvement of production, marketing, or use of their products."

COMMITTEE REPORT

The Honorable Bill Clayton
Speaker of the House of Representatives

5/9/77
(date)

Sir:

We, your COMMITTEE ON CONSTITUTIONAL AMENDMENTS , to whom was referred S. J. R. 19
have had the same under consideration and beg to report back with the recommendation that it (measure)

- (X) do pass, without amendment.
() do pass, with amendment(s).
() do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.

A fiscal note was requested on 4/25/77 and is attached as part of this report.
(date)

~~Author's fiscal statement attached.~~

~~The Committee recommends that this measure be placed on the (Local / Consent) Calendar.~~

This measure (X) proposes new law.
() amends existing law.

House Sponsor of Senate Measure SIMPSON

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Von Dohlen	✓			
Jones	✓			
Bryant	✓			
Clark, B.	✓			
Close			✓	
Hendricks				✓
Johnson	✓			
Robbins				✓
Schieffer				✓

Total: 5 aye
0 nay
1 present, not voting
3 absent

Tim Von Dohlen
CHAIRMAN
Reynolds
COMMITTEE COORDINATOR

BILL ANALYSIS

Background Information

In 1967, the Legislature passed Article 55c, Vernon's Annotated Texas Statutes, popularly called the Texas Commodity Referendum Act. The statute sets up a method whereby a nonprofit organization representing the producers of a particular agricultural commodity may conduct a referendum on either an area or statewide basis on whether the producers of the commodity shall levy an assessment on themselves to finance programs authorized by the statute. If the referendum passes, the producers form a board for the particular commodity and set an assessment rate at or below the maximum level established by a vote of the producers.

As passed in 1967, participation in the commodity program was voluntary; the board could only collect assessments from participating producers. Producers also could withdraw at any time by signing an exemption certificate. In 1969, the act was amended to make collection of assessments mandatory, although producers could still obtain a refund upon request.

The constitutionality of the statute was challenged in Conlen Grain and Mercantile, Inc. v. Texas Grain Sorghum Producers Board, 519 S.W. 2d 620. The Supreme Court held that the mandatory collection of assessments was an unconstitutional attempt to impose an occupation tax on an agricultural pursuit, contrary to Article III, Section 1 of the Texas Constitution.

Purpose of the Resolution

To authorize the formation of associations by producers of agricultural products and the collection of assessments voted on by the producers.

Section-by-section Analysis

Section 1. Amends Article XVI of the Constitution by adding a new Section 68 which provides that:

- 1) The legislature may authorize the formulation of associations by agricultural producers to levy assessments voted by the producers;
- 2) The assessment is not a tax if full refund is allowed;
- 3) Article 55c, V.A.T.S., is validated as amended; and
- 4) No person may be required to pay assessments levied under that Act prior to November 8, 1978.

Section 2. Provides that the constitutional amendment by submitted to the voters at the general election in November, 1978.

Summary of Committee Action

Pursuant to public notice posted in accordance with Rule V, Section 14, the committee considered S.J.R. 19 in public hearing on May 4, 1977. After receiving public testimony, the resolution was left as pending business before the committee. The committee considered the resolution again in public hearing on May 9, 1977 and voted to report the resolution favorably to the House by a vote of five ayes, no nays, and one present not voting.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

April 25, 1977

Honorable Tim Von Dohlen, Chairman
Committee on Constitutional Amendments
House of Representatives
Austin, Texas

In Re: Senate Joint Resolution No. 19,
as engrossed
By: Patman

Sir:

In response to your request pursuant to House Rule V, Section 28, this office finds the fiscal implications of Senate Joint Resolution No. 19, as engrossed (proposing a constitutional amendment relating to the formation of associations by producers of agricultural products) to be as follows:

No fiscal implications or additional cost to the state or to statewide units of local government attributable to this resolution, should it be adopted by the electorate, is anticipated except for the cost of publication estimated to be \$27,500 for fiscal year 1979.


Thomas M. Keel
Director

Amendment No. ①

By Coleman

Amend SJR No 19 by
adding the following language
on page 1 line 25 between the
words "associations" and "for":

"which may mandate the
collection of ^{refundable} assessments"

MAY 24 1977
Date
Read and Adopted

Betty Murray

Chief Clerk
House of Representatives

Yau

(2)
Floor Amendment No. _____

By

Ammon

Amend S.J.R. 19 ~~line 22 page 1~~ by striking "1978" and inserting
in lieu thereof "1977". *wherever ~~1978~~ 1978 appears in*
the ~~the~~ resolutions

8

Date MAY 24 1977

Read and Adopted

Betty Murray

Chief Clerk
House of Representatives

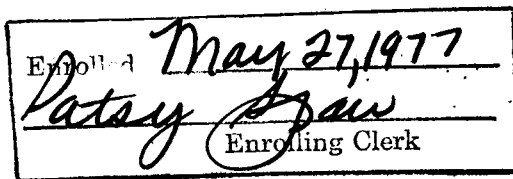
Amendment (3) by Mills

Amend S. J. R. 19 by adding
and line 24
on line 7, after the word
agricultural, the words
"or marine".

Date MAY 24 1977
Read and Adopted

Betty Murray

Chief Clerk
House of Representatives



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President of the Senate

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Secretary of the Senate

I hereby certify that S.J.R. No. 19 was adopted by the house, with amendments, on May 24, 1977, by the following vote: Yeas 109, Nays 27, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor

S. J. R. No. 19

By Patterson
HANCO

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JAN 17 1977 Filed with the Secretary of the Senate
JAN 27 1977 Read, referred to Committee on Natural Resources
Reported favorably.
Reported adversely, with favorable Committee Substitute; Committee Substitute read first time.
Ordered not printed.
JAN 31 1977 Senate and Constitutional Rules to permit consideration suspended by unanimous consent 27 yeas, 3 nays.
To permit consideration, reading and passage, Senate and Constitutional Rules suspended by vote of _____ yeas, _____ nays.
JAN 31 1977 Read second time and { ordered engrossed;
passed to third reading.
Caption ordered amended to conform to body of bill.
JAN 31 1977 Senate and Constitutional 3-Day Rules suspended by vote of 27 yeas, 3 nays to place bill on third reading and final passage.
JAN 31 1977 Read third time and passed by a voice vote 28 yeas, 2 nays.

OTHER ACTION

Betty King
Secretary of the Senate

Betty King
ENGROSSING CLERK

FEB 1 1977

Received from
the Senate

Betty Messer
Chief Clerk, House of Representatives

READ 1st TIME FEB 2 1977
AND REFERRED TO COMMITTEE ON
Constitutional Amendment

MAY 9 1977 Reported favorably (Amended), Sent to Printer 12:40 AM
MAY 11 1977 Printed and Distributed 1:20 PM

MAY 11 1977 Sent To Committee On Calendars 2:20 PM

DATE MAY 24 1977
READ AND ADOPTED by record vote unanimous consent granted to amend caption of Senate bill 19
Betty Messer as amended
CHIEF CLERK
HOUSE OF REPRESENTATIVES 109 yeas 27 nays 2 PM

RETURNED TO SENATE MAY 24 1977

MAY 24 1977 RETURNED with amendments
FROM HOUSE

Jan 24 1977 Engrossed
Feb 1 1977 Sent to HOUSE

MAY 26 1977

Senate concurred in House amendments by the following vote: 26
yeas, 1 nays.

1977 MAY 11 PM 1:20

HOUSE OF REPRESENTATIVES